

IOWA CENTRAL COMMUNITY COLLEGE

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

June 30, 2011

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OFFICIALS

Name	Title	Term Expires
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Board of Directors

Mark Crimmins	President	2013
Larry Hecht	Vice President	2013
Thomas Chelesvig	Member	2011
Garland Hanson	Member	2013
Deborah Loerch	Member	2011
Darrell Determann	Member	2011
Connie Smith	Member	2011
Douglas McDermott	Member	2011
Terry Wessels	Member	2013

Community College

Dr. Daniel Kinney	President
Thomas Beneke	Vice President
Marlene McComas	Vice President
James Kersten	Vice President
Laurie Hendricks	Vice President
Angie Martin	Associate Vice President
Karen Lombard	Board Secretary/Treasurer

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa 50501

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and its discretely presented component unit as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements listed in the table of contents. These financial statements are the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iowa Central Community College and its discretely presented component unit at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2011 on our consideration of Iowa Central Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and Schedule of Funding Progress for the Retiree Health Plan on pages 4 through 10 and 33, respectively, are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Central Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2010 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in blue ink that reads "Johnson & Company L.P." The signature is stylized with a large, looping initial 'J'.

Fort Dodge, Iowa
December 30, 2011

IOWA CENTRAL COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Central Community College provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- College operating revenues increased in FY11. Tuition revenue increased due to the increase in the tuition rate per credit hour and due to the increase in enrolled credit hours. Auxiliary enterprises revenues increased due to the increase in bookstore sales and the increase in the number of students in College housing.
- College operating expenses increased in FY11 due to salary and benefit increases and the increase in part-time salaries because of the increase in student enrollment, the increase in distance-learning expenses, the increase in professional services and the increase in materials and supplies. Older buildings and the deferral of maintenance and repair of buildings over the years, and the addition of new buildings, continues to cause higher physical facility expenditures for building maintenance and repairs.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the College's financial activities.

The Basic Financial Statements consist of a statement of net assets, a statement of revenues, expenses and changes in net assets and a statement of cash flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the College's budget for the year, and Supplementary Information provides detailed information about the individual funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

The Statement of Net Assets

The Statement of Net Assets presents the assets, liabilities, and net assets of the College as a whole, as of the end of the fiscal year. The Statement of Net Assets is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Assets includes year-end information concerning current and non-current assets, current and non-current liabilities, and net assets (assets less liabilities). Over time, readers of the financial statements will be able to determine the College's financial position by analyzing the increases and decreases in net assets. This statement is also a good source for readers to determine how much the College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

	Net Assets	
	June 30,	
	2011	2010
Current and other assets	\$ 30,143,945	\$ 32,709,282
Capital assets, net of accumulated depreciation	55,506,534	53,063,004
Total assets	85,650,479	85,772,286
Current liabilities	16,859,519	17,670,409
Noncurrent liabilities	35,925,906	36,764,953
Total liabilities	52,785,425	54,435,362
Net assets:		
Invested in capital assets, net of related debt	25,326,534	20,708,004
Restricted	2,578,954	2,511,437
Unrestricted	4,959,566	8,117,483
Total net assets	\$ 32,865,054	\$ 31,336,924

Invested in capital assets (e.g., land, buildings, and equipment), net of related debt, represents 77% of the College's net assets. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (8%) includes resources that are subject to external restrictions. The College's unrestricted net assets (15%) can be used to meet the College's obligations as they come due.

Statement of Revenues, Expenses and Changes in Net Assets

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of the statement is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (Continued)

Statement of Revenues, Expenses and Changes in Net Assets (Continued)

In general, a public college such as Iowa Central Community College, will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituents of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

Changes in Net Assets

	Year ended June 30	
	2011	2010
Operating revenue:		
Tuition and fees	\$ 15,901,713	\$ 14,649,576
Federal appropriations	3,549,641	4,603,941
Iowa Industrial New Jobs Training Program	908,341	979,649
Auxiliary	11,343,782	10,385,346
Sales and services	1,298,479	1,196,668
Miscellaneous	358,697	360,858
Total operating revenue	33,360,653	32,176,038
Total operating expenses	58,851,138	51,184,952
Operating loss	(25,490,485)	(19,008,914)
Nonoperating revenues (expenses):		
State appropriations	11,118,078	9,705,796
Pell grant	11,337,270	8,685,862
Property tax	6,138,495	5,490,706
Interest income on investments	65,424	85,060
Loss on disposal of capital assets	-	(650,045)
Interest on indebtedness	(1,640,652)	(1,769,519)
Net nonoperating revenues	27,018,615	21,547,860
Increase in net assets	1,528,130	2,538,946
Net assets beginning of year	31,336,924	28,797,978
Net assets end of year	\$ 32,865,054	\$ 31,336,924

The Statement of Revenues, Expenses and Changes in Net Assets reflects an increase in the net assets at the end of the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (Continued)

Total Revenue by Source

In fiscal year 2011, operating revenues increased as a result of the following:

- Tuition and fees increased due to the increase in enrollment and the resident tuition rate increased from \$116 per credit hour in FY10 to \$120 per credit hour in FY11.
- Auxiliary enterprises revenue increased due to the enrollment increase and the resulting increase in bookstore sales, the increase in students in College housing, and the increase in premium dollars in the College self-funded employee health plan.
- Plant fund revenue increased due to transfers and Accelerated Career Education infrastructure funds from the State.

Operating Expenses

	Year ended June 30	
	2011	2010
Education and support:		
Liberal arts and sciences	\$ 8,882,784	\$ 7,598,629
Vocational technical	7,391,061	6,216,157
Adult education	2,610,950	2,320,704
Cooperative services	1,454,534	1,890,482
Administration	1,534,349	1,559,532
Student services	5,329,183	4,530,964
Learning resources	596,031	445,084
Physical plant	4,869,646	4,380,454
General institution	8,705,483	7,590,866
Auxiliary enterprises	9,816,047	8,899,182
Scholarships and grants	4,349,297	3,079,788
Workforce Investment Act	102,334	109,075
Administrative and collection costs	1,223,218	885,905
Depreciation	1,986,221	1,678,130
Total	<u>\$ 58,851,138</u>	<u>\$ 51,184,952</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (Continued)

Total Expenses

In fiscal year 2011, operating expenses increased as a result of the following:

- Moderate salary and benefit increases.
- Additional part-time salaries due to increased student enrollment.
- Additional maintenance and increased utility costs due to expansion and remodeling of existing facilities and the addition of new buildings and continued costly maintenance and repair of aging facilities.
- Increase in housing expenses due to additional College housing.
- Increase in medical and dental payments in the College self-funded employee health plan.

Statement of Cash Flows

A statement included in Iowa Central Community College's basic financial statements is the Statement of Cash Flows. The Statement of Cash Flows is an important tool in helping users assess the College's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital financing and investing activities.

	Cash Flows	
	Year ended June 30	
	2011	2010
Cash provided (used) by:		
Operating activities	\$ (19,993,810)	\$ (17,136,434)
Non-capital financing activities	27,328,330	22,593,831
Capital and related financing activities	(7,946,634)	(11,911,959)
Investing activities	65,424	85,060
Net (decrease) in cash	(546,690)	(6,369,502)
Cash beginning of year	17,944,953	24,314,455
Cash end of year	\$ 17,398,263	\$ 17,944,953

Cash used by operating activities includes tuition, fees, grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations and local property tax received by the College. Cash used by capital and related financing activities represents the principal payments of debt and the purchase of capital assets. Cash provided by investing activities includes investment income received.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

At June 30, 2011, the College had approximately \$55.5 million invested in capital assets, net of accumulated depreciation of approximately \$21.1 million. Depreciation charges totaled \$1,986,221 for FY11. Details of the capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30,	
	2011	2010
Land	\$ 1,711,616	\$ 1,361,616
Buildings	45,667,007	29,410,667
Construction in progress	2,442,367	16,598,874
Improvements other than buildings	3,096,585	3,370,354
Equipment and vehicles	2,588,959	2,321,493
	<u>\$ 55,506,534</u>	<u>\$ 53,063,004</u>

Major capital expenditures for fiscal year ending June 30, 2011, included completion of construction of Student Resource Center and Physical Facilities Building and continued major infrastructure expenditures in the Crimmins Building for the Welding Technology Program, Auto Collision Program, and the Diesel Technology Program.

Planned capital expenditures for the fiscal year ending June 30, 2012 and beyond include completion of construction of the Dyno Building and Cafeteria and the expansion of Student Housing.

More detailed information about the College's capital assets is presented in Note 4 to the financial statements.

DEBT

At June 30, 2011, the College had approximately \$34.8 million in debt outstanding, a decrease of \$3,135,000 from fiscal year 2010. The table below summarizes these amounts by type.

Outstanding Debt

	June 30,	
	2011	2010
Certificates payable	\$ 4,595,000	\$ 5,555,000
Capital loan notes payable	2,095,000	2,730,000
Bonds payable	28,085,000	29,625,000
	<u>\$ 34,775,000</u>	<u>\$ 37,910,000</u>

More detailed information about the College's outstanding debt is presented in Note 5 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS

Iowa Central Community College continued to improve its financial position during the current fiscal year. Maintaining the current good condition of the economy in the state and maintaining the continued increases in student enrollment are a concern for College officials. Some of the realities that may potentially become challenges for the College to meet are:

- State general aid from 2010-2011 to 2011-2012 increased 3 percent which is still below the amount of state general aid received in 2007-2008.
- Expenses will continue to increase. As the number of students increases, the costs associated with serving them continue to increase.
- The College will continue to expand distance-learning opportunities in FY12 and beyond and is involved with school districts in the operation of Alternative High Schools and Charter Schools. The College works in joint partnership with Barker Educational Services Team (BEST) to offer students a variety of programs via the 8-Week Online Program through the Distance Learning Office.
- The start-up of new programs is expensive. New programs to be started in FY12 and beyond include Automotive Restoration and Pharmacy Technician.
- Aging facilities at the College require constant maintenance and upkeep. The increase in number of buildings creates increased utility costs, maintenance and upkeep expenses.
- Technology continues to expand and current technology becomes outdated presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.
- Property tax revenue to support the College operating fund for 2011-2012 will increase 5 percent. Property tax revenue in 2004-2005 decreased 15 percent due to reduced farmland valuation. However, this reduction was recovered in 2009-2010 to a level just above the 2003-2004 amount.

The College anticipates the current fiscal year will be much like the last and will monitor resources to maintain the College's ability to react to unknown issues.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Central Community College, One Triton Circle, Fort Dodge, IA 50501.

IOWA CENTRAL COMMUNITY COLLEGE

BASIC FINANCIAL STATEMENTS

IOWA CENTRAL COMMUNITY COLLEGE

Exhibit A

STATEMENT OF NET ASSETS

June 30, 2011

ASSETS	Primary Government	Component Unit
Current assets:		
Cash and pooled investments	\$ 17,398,263	\$ 3,921,002
Receivables:		
Accounts	2,595,197	-
Capital campaign	-	562,951
Property tax:		
Succeeding year	5,746,237	-
Iowa Industrial New Jobs Training Program	1,253,116	-
Due from other governments	975,826	-
Inventories	763,268	-
Prepaid expenses	175,478	-
Total current assets	28,907,385	4,483,953
Noncurrent assets:		
Receivables:		
Iowa Industrial New Jobs Training Program	1,236,560	-
Capital campaign	-	29,286
Non-depreciable capital assets	4,153,983	1,219,000
Depreciable capital assets, net of accumulated depreciation	51,352,551	577,260
Total noncurrent assets	56,743,094	1,825,546
Total assets	85,650,479	6,309,499

IOWA CENTRAL COMMUNITY COLLEGE

**Exhibit A
(Continued)**

STATEMENT OF NET ASSETS

June 30, 2011

LIABILITIES	Primary Government	Component Unit
Current liabilities:		
Accounts payable	\$ 1,875,777	\$ 66,594
Salaries and benefits payable	1,013,280	-
Interest payable	121,991	-
Deferred revenue:		
Succeeding year property tax	5,746,237	-
Other	3,195,665	-
Compensated absences	420,424	-
Deposits held in custody for others	1,111,145	-
Certificates payable	995,000	-
Capital loan notes payable	670,000	-
Bonds payable	1,710,000	-
Total current liabilities	16,859,519	66,594
Noncurrent liabilities:		
Certificates payable	3,600,000	-
Capital loan notes payable	1,425,000	-
Bonds payable	26,375,000	-
Net OPEB liability	4,525,906	-
Total noncurrent liabilities	35,925,906	-
Total liabilities	52,785,425	66,594
Net assets		
Invested in capital assets, net of related debt	25,326,534	-
Restricted:		
Nonexpendable:		
Scholarships and fellowships	-	2,727,204
Expendable:		
Capital campaign	-	592,237
Scholarships and fellowships	27,505	2,923,464
Loans	4,992	-
Cash reserve	319,603	-
Other	2,226,854	-
Unrestricted	4,959,566	-
Total net assets	\$ 32,865,054	\$ 6,242,905

See notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2011

	Primary Government	Component Unit
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$6,200,974	\$ 15,901,713	\$ -
Federal appropriations	3,549,641	-
Iowa Industrial New Jobs Training Program	908,341	-
Auxiliary enterprises revenue, net of scholarship allowances of \$1,623,145	11,343,782	-
Sales and services	1,298,479	-
Farm income	-	197,574
Miscellaneous	358,697	-
Contributions and pledges	-	2,228,355
Total operating revenues	33,360,653	2,425,929
Operating expenses:		
Education and support:		
Liberal arts and science	8,882,784	-
Vocational technical	7,391,061	-
Adult education	2,610,950	-
Cooperative services	1,454,534	-
Administration	1,534,349	-
Student services	5,329,183	-
Learning resources	596,031	-
Physical plant	4,869,646	-
General institution	8,705,483	-
Auxiliary enterprises	9,816,047	-
Scholarships and grants	4,349,297	207,820
Workforce Investment Act	102,334	-
Administrative and collection costs	1,223,218	-
Depreciation	1,986,221	9,740
Farm expenses	-	120,356
Management and general expenses	-	246,078
Total operating expenses	58,851,138	583,994
Operating income (loss)	(25,490,485)	1,841,935

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE**Exhibit B
(Continued)****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2011**

	Primary Government	Component Unit
Nonoperating revenues (expenses):		
State appropriations	\$ 11,118,078	\$ -
Pell grant	11,337,270	-
Property tax	6,138,495	-
Interest income from investments	65,424	59,684
Interest on indebtedness	(1,640,652)	-
Realized and unrealized gain on investments	-	560,806
Net nonoperating revenues	27,018,615	620,490
Change in net assets	1,528,130	2,462,425
Net assets beginning of year	31,336,924	3,780,480
Net assets end of year	<u>\$ 32,865,054</u>	<u>\$ 6,242,905</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2011

Cash Flows from Operating Activities:	
Tuition and fees	\$ 15,901,713
Federal appropriations	3,621,523
Iowa Industrial New Jobs Training Program	2,820,617
Payments to employees for salaries and benefits	(24,002,534)
Payments to suppliers for goods and services	(25,596,348)
Payments to NJTP recipients	136,335
Scholarships	(4,349,297)
Auxiliary enterprise receipts	11,343,782
Other receipts	130,399
Net cash used by operating activities	(19,993,810)
Cash Flows from Non-Capital Financing Activities:	
State appropriations	11,118,078
Pell grant	11,337,270
Property tax	6,138,495
Agency Fund receipts	21,789,452
Agency Fund disbursements	(21,796,196)
Interest paid on debt	(298,769)
Principal paid on debt	(960,000)
Net cash provided by non-capital financing activities	27,328,330
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(4,429,751)
Interest paid on debt	(1,341,883)
Principal paid on debt	(2,175,000)
Net cash used by capital and related financing activities	(7,946,634)
Cash Flows from Investing Activities:	
Interest on investments	65,424
Net cash provided by investing activities	65,424
Net decrease in cash	(546,690)
Cash beginning of year	17,944,953
Cash end of year	\$ 17,398,263

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE**Exhibit C
(Continued)****STATEMENT OF CASH FLOWS****Year Ended June 30, 2011**

Reconciliation of operating loss to	
net cash used by operating activities:	
Operating loss	<u>\$ (25,490,485)</u>
Adjustments to reconcile operating loss to	
net cash used by operating activities:	
Depreciation	1,986,221
Changes in assets and liabilities:	
Increase in accounts receivable	(73,555)
Decrease in NJTP receivable	1,912,276
Decrease in due from other governments	298,476
Increase in inventories	(147,736)
Decrease in prepaid expenses	29,186
Increase in accounts payable	1,044,676
Decrease in salaries payable	(435,591)
Decrease in interest payable	(1,886)
Decrease in deferred revenue	(1,679,816)
Increase in Net OPEB liability	2,535,953
Increase in compensated absences	<u>28,471</u>
Total adjustments	<u>5,496,675</u>
Net cash used by operating activities	<u><u>\$ (19,993,810)</u></u>

See Notes to Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Iowa Central Community College is a publicly supported school established and operated by Merged Area V under the provisions of Chapter 260C of the Code of Iowa. The College offers programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. It also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Iowa Central Community College maintains campuses in Fort Dodge, Webster City, and Storm Lake, Iowa, and has its administrative offices in Fort Dodge. Iowa Central Community College is governed by a Board of Directors whose members are elected from each director district within Merged Area V.

The College's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Iowa Central Community College has included all funds, organizations, agencies, boards, commissions and authorities. The College has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the Community College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the College to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Community College.

These financial statements present Iowa Central Community College (the primary government) and its component unit. The component unit discussed below is included in the College's reporting entity because of the significance of its operational or financial relationships with the College. Certain disclosures about the component unit are not included because the component unit has been audited separately and a report has been issued under separate cover. The audited financial statements are available at the College.

Discrete Component Unit

Iowa Central Community College Foundation is a legally separate, tax-exempt foundation. The Foundation was established for the purpose of maintaining, developing and extending its facilities and services for the benefit of Iowa Central Community College. The Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources that are held are used for the benefit of Iowa Central Community College.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

GASB Statement No. 35, establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following net asset categories:

Invested in Capital Assets, Net of Related Debt: Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets:

Nonexpendable – Net assets subject to externally-imposed stipulations that they be maintained permanently by the College, including the College's permanent endowment funds.

Expendable – Net assets whose use by the College is subject to externally-imposed stipulations that can be fulfilled by actions of the College, pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Assets: Net assets that are not subject to externally-imposed situations. Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and general programs of the College.

GASB Statement No. 35 also requires the Statements of Net Assets, Revenues, Expenses and Changes in Net Assets, and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the College. For the most part, the effect of interfund activity has been removed from these statements.

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The College applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Net Assets

Cash and Pooled Investments – Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amount of cash and, at the day of purchase, they have a maturity date not longer than three months.

Due from Other Governments – This represents state aid, grants and reimbursements due from the State of Iowa and grants and reimbursements due from the Federal government.

Inventories – Inventories are valued at lower of cost (first-in, first-out method) or market. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Property Tax Receivable – Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors to the appropriate County Auditors. Delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2011 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets – Capital assets, which include land, buildings and improvements, and equipment and vehicles, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are defined by the College as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years:

<u>Assets</u>	<u>Amount</u>
Land, buildings and improvements	\$ 5,000
Equipment and vehicles	5,000

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Net Assets (Continued)

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	25-50
Equipment and vehicles	5-10

The College does not capitalize or depreciate library books. The value of each book falls below the capital asset threshold and the balance was deemed immaterial to the financial statements.

Salaries and Benefits Payable – Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue – Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets have not been spent for their intended purpose. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, and advanced student tuition.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2011.

Refundable Advances on Student Loans – The Perkins Federal Loan program requires a return of federal capital contribution if the United States Government terminates the program.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, food service, Health and Fitness Center, self-insurance program and athletics.

Summer Session – The College operates summer sessions during May, June and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the load study distributions supplied by the College Registrar.

Tuition and Fees – Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

Operating and Nonoperating Activities – Operating activities, as reported in the Statement of Revenues, Expenses and Changes in Net Assets, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nonoperating activities include state appropriations, Pell grants, property tax and interest income.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Net Assets (Continued)

Subsequent Events – Subsequent events have been evaluated through December 30, 2011, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

E. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

Note 2. Cash and Pooled Investments

The College's deposits in banks at June 30, 2011 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The College is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk – The College's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the College.

NOTES TO FINANCIAL STATEMENTS

Note 3. Inventories

The College's inventories at June 30, 2011 are as follows:

Type	Amount
Merchandise held for resale	\$ 763,268

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2011 is as follows:

	Balance Beginning of Year	Additions	Transfers	Deletions	Balance End of Year
Capital assets not being depreciated:					
Land	\$ 1,361,616	\$ 350,000	\$ -	\$ -	\$ 1,711,616
Construction in progress	16,598,874	3,028,994	(17,185,501)	-	2,442,367
Total capital assets not being depreciated	17,960,490	3,378,994	(17,185,501)	-	4,153,983
Capital assets being depreciated:					
Buildings	40,594,306	-	17,185,501	-	57,779,807
Improvements other than buildings	4,867,632	-	-	-	4,867,632
Equipment and vehicles	8,885,612	1,050,757	-	(88,968)	9,847,401
Total capital assets being depreciated	54,347,550	1,050,757	17,185,501	(88,968)	72,494,840
Less accumulated depreciation for:					
Buildings	11,183,639	929,161	-	-	12,112,800
Improvements other than buildings	1,497,278	273,769	-	-	1,771,047
Equipment and vehicles	6,564,119	783,291	-	(88,968)	7,258,442
Total accumulated depreciation	19,245,036	1,986,221	-	(88,968)	21,142,289
Total capital assets being depreciated, net	35,102,514	(935,464)	17,185,501	-	51,352,551
Capital assets, net	\$ 53,063,004	\$ 2,443,530	\$ -	\$ -	\$ 55,506,534

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2011 is as follows:

	Certificates Payable	Capital Loan Notes Payable	Bonds Payable	Net OPEB Liability	Total
Balance, beginning of year	\$ 5,555,000	\$ 2,730,000	\$ 29,625,000	\$ 1,989,953	\$ 39,899,953
Additions	-	-	-	2,535,953	2,535,953
Reductions	960,000	635,000	1,540,000	-	3,135,000
Balance, end of year	\$ 4,595,000	\$ 2,095,000	\$ 28,085,000	\$ 4,525,906	\$ 39,300,906

Certificates Payable:

In accordance with agreements dated between June 1, 1998 and December 1, 2007, the College issued certificates totaling \$14,045,000 with interest rates ranging from 2.55% to 8.25%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries that are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

Year Ending June 30	Principal	Interest	Total
2012	\$ 995,000	\$ 253,036	\$ 1,248,036
2013	1,060,000	199,710	1,259,710
2014	905,000	141,163	1,046,163
2015	695,000	89,006	784,006
2016	515,000	50,870	565,870
2017	425,000	22,950	447,950
Total	\$ 4,595,000	\$ 756,735	\$ 5,351,735

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt (Continued)

Capital Loan Notes Payable:

The College has issued notes for the purchase and construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2011 capital loan notes payable indebtedness are as follows:

Note Issuance of July 1, 2000					
Year Ending June 30,	Interest		Principal	Interest	Total
	Rate				
2012	6.05	\$	130,000	\$ 24,812	\$ 154,812
2013	6.05		135,000	17,012	152,012
2014	6.10		145,000	8,846	153,846
Total		\$	410,000	\$ 50,670	\$ 460,670

	Note Issuance of October 1, 2001			
	Interest			
Year Ending June 30,	Rate	Principal	Interest	Total
2012	4.50	\$ 140,000	\$ 20,256	\$ 160,256
2013	4.60	145,000	13,955	158,955
2014	4.70	155,000	7,284	162,284
Total		\$ 440,000	\$ 41,495	\$ 481,495

	Note Issuance of July 1, 2003			
	Interest			
Year Ending June 30,	Rate	Principal	Interest	Total
2012	3.50	\$ 265,000	\$ 29,720	\$ 294,720
2013	3.60	275,000	20,445	295,445
2014	3.70	285,000	10,546	295,546
Total		\$ 825,000	\$ 60,711	\$ 885,711

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt (Continued)

Capital Loan Notes Payable (continued):

Note Issuance of March 1, 2004				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2012	3.45	\$ 135,000	\$ 15,136	\$ 150,136
2013	3.60	140,000	10,478	150,478
2014	3.75	145,000	5,439	150,439
Total		\$ 420,000	\$ 31,053	\$ 451,053

Bonds Payable:

The College has issued bonds for the construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2011 bonded indebtedness are as follows:

Bond Issuance of August 1, 2003				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2012	3.50	\$ 495,000	\$ 149,586	\$ 644,586
2013	3.65	510,000	132,260	642,260
2014	3.80	535,000	113,646	648,646
2015	4.00	555,000	93,316	648,316
2016	4.15	570,000	71,115	641,115
2017-2019	4.30-4.60	1,080,000	78,299	1,158,299
Total		\$ 3,745,000	\$ 638,222	\$ 4,383,222

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt (Continued)

Bonds Payable (continued):

Bond Issuance of September 1, 2003				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2012	4.20	\$ 85,000	\$ 39,872	\$ 124,872
2013	4.35	90,000	36,302	126,302
2014	4.50	95,000	32,388	127,388
2015	4.65	100,000	28,112	128,112
2016	4.85	105,000	23,462	128,462
2017-2019	5.00-5.20	360,000	37,490	397,490
Total		\$ 835,000	\$ 197,626	\$ 1,032,626

Bond Issuance of August 1, 2004				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2012	4.15	\$ 145,000	\$ 80,108	\$ 225,108
2013	4.30	155,000	74,090	229,090
2014	4.45	165,000	67,426	232,426
2015	4.60	175,000	60,082	235,082
2016	4.75	185,000	52,032	237,032
2017-2020	4.90-5.20	855,000	112,596	967,596
Total		\$ 1,680,000	\$ 446,334	\$ 2,126,334

Bond Issuance of August 1, 2005				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2012	4.00	\$ 75,000	\$ 37,586	\$ 112,586
2013	4.10	80,000	34,586	114,586
2014	4.20	85,000	31,306	116,306
2015	4.30	90,000	27,736	117,736
2016	4.40	95,000	23,865	118,865
2017-2019	4.50-4.65	430,000	50,628	480,628
Total		\$ 855,000	\$ 205,707	\$ 1,060,707

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt (Continued)

Bonds Payable (continued):

Bond Issuance of October 1, 2007				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2012	4.10	\$ 215,000	\$ 240,913	\$ 455,913
2013	4.15	225,000	232,098	457,098
2014	4.25	235,000	222,760	457,760
2015	4.35	245,000	212,772	457,772
2016	4.45	255,000	202,116	457,116
2017-2027	4.50-5.15	3,890,000	1,265,680	5,155,680
Total		\$ 5,065,000	\$ 2,376,339	\$ 7,441,339

Bond Issuance of March 1, 2008				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2012	3.50	\$ 380,000	\$ 313,938	\$ 693,938
2013	3.50	395,000	300,638	695,638
2014	3.50	410,000	286,812	696,812
2015	3.50	425,000	272,462	697,462
2016	3.50	440,000	257,588	697,588
2017-2027	3.50-4.00	6,375,000	1,600,012	7,975,012
Total		\$ 8,425,000	\$ 3,031,450	\$ 11,456,450

Bond Issuance of March 1, 2009				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2012	4.00	\$ 315,000	\$ 305,784	\$ 620,784
2013	4.00	325,000	293,184	618,184
2014	4.00	335,000	280,184	615,184
2015	4.00	345,000	266,784	611,784
2016	4.00	360,000	252,984	612,984
2017-2028	4.00-4.38	5,800,000	1,712,003	7,512,003
Total		\$ 7,480,000	\$ 3,110,923	\$ 10,590,923

NOTES TO FINANCIAL STATEMENTS

Note 6. Operating Leases

The College has leased various facilities and equipment. These leases have been classified as operating leases and accordingly, all rents are charged as incurred. The leases expire between 2012 and 2020 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases. The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2011:

Year Ending June 30	Amount
2012	\$ 294,780
2013	104,696
2014	40,119
2015	18,676
2016	12,092
Thereafter	41,600
Total	\$ 511,963

Rents for the year ended June 30, 2011 for all operating leases, except those with terms of a month or less which were not renewed, totaled \$344,602.

Note 7. Iowa Public Employees Retirement System (IPERS)

The College contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.50% of their annual covered salary and the College is required to contribute 6.95% of annual covered salary. Contribution requirements are established by state statute. The College's contributions to IPERS for the years ended June 30, 2011, 2010, and 2009 were \$771,351, \$645,052 and \$608,216, respectively, equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

Note 8. Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)

The College contributes to the TIAA-CREF retirement program that is a defined contribution plan. TIAA administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 4.50% and the College is required to contribute 6.95%. The College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2011 were \$441,293 and \$285,729, respectively.

Note 9. Other Postemployment Benefits (OPEB)

Plan Description - The College operates a single-employer retiree benefit plan that provides medical/prescription drug benefits for retirees and their spouses. There are 307 active and 46 retired members in the plan. Retired participants must be age 55 or older at retirement.

The College pays the employer share of premiums for both single and family coverage for active employees and purchases the fully insured benefits through its self-funded group insurance plan. Upon retirement, the retiree can continue his/her health coverage. The College pays the required premium. The Plan coverage terminates upon reaching Medicare eligibility age 65.

Funding Policy - The contribution requirements of plan members are established and may be amended by the College. The College currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The College's annual OPEB cost is calculated based on the annual required contribution (ARC) of the Community College, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the College's annual OPEB cost for the year ended June 30, 2011, the amount actually contributed to the plan and changes in the College's net OPEB obligation:

Annual required contribution (ARC)	\$ 1,886,994
Interest on Net OPEB	73,324
Adjustments to Net OPEB	943,005
Annual OPEB cost	<u>2,903,323</u>
Contributions made	<u>(367,370)</u>
Increase in net OPEB obligation	2,535,953
Net OPEB obligation beginning of year	1,989,953
Net OPEB obligation end of year	<u><u>\$ 4,525,906</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2010. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2011.

NOTES TO FINANCIAL STATEMENTS

Note 9. Other Postemployment Benefits (OPEB) (Continued)

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2011 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 1,848,591	0%	\$ 1,848,591
June 30, 2010	141,362	0%	1,989,953
June 30, 2011	2,903,323	13%	4,525,906

Funded Status and Funding Progress - As of July 1, 2010, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was approximately \$10.71 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$10.71 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$14,089,000 and the ratio of the UAAL to covered payroll was 76%. As of June 30, 2011, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2010 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.50% discount rate based on the College's funding policy. The projected annual health cost trend rate is 6%.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2009 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2009.

NOTES TO FINANCIAL STATEMENTS

Note 10. New Jobs Training Programs

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area V in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries that are new to or are expanding their operations within the State of Iowa. Certificates are sold by the College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property taxes. Since inception, the College administered ninety-nine projects with thirteen currently receiving project funding. Fourteen of the remaining projects have been completed and only repayment of the certificates is left. The remaining seventy-two projects have been completed and the certificates have been paid. In cases where projects exceed the budgeted amounts, the college intends to obtain additional withholding revenue from the companies.

Note 11. Early Retirement and Contingent Liability

Full-time staff that are at least the age of 55 and who have at least 10 years of continuous service with the College are eligible for the early retirement incentive program. Early retirement begins at the end of the employee's contract. A staff member who accepts early retirement may receive cash benefits on September 15 and March 15 of the following fiscal year.

Early retirement is funded on a pay-as-you-go basis through property tax levies. At June 30, 2011, the College has obligations to three participants with a total liability of \$82,584, including the related payroll taxes. The College's early retirement expense for the year ended June 30, 2011 was \$338,091.

Note 12. Risk Management

Iowa Central Community College carries commercial insurance purchased from insurers for coverage associated with torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13. Deficit Fund Balance

The College has a deficit balance in the funds as listed below as of June 30, 2011. Management believes that future transfers from unrestricted current funds will eliminate these deficit balances.

Unrestricted Fund:	
Career Education	\$ (191,877)
Miscellaneous	(89,215)

NOTES TO FINANCIAL STATEMENTS

Note 14. Self-Insurance Program

Effective July 1, 2000, the College has a self-insurance program for hospitalization and medical coverage for its employees. The College limits its losses through the use of stop-loss policies from insurers. Specific individual losses for claims are limited to \$100,000 per year. The College's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and was limited to \$3,539,669 in claims as of June 30, 2011. For the year ended June 30, 2011, the College paid \$3,250,339 under the program, which includes health and dental claims, life and long-term disability premiums, and administrative costs.

Note 15. Subsequent Event

On August 1, 2011, the College issued general obligation capital loan notes totaling \$8,190,000 for a construction project. The debt was incurred as allowed by Chapter 260C of the Code of Iowa and will mature beginning on June 1, 2012.

REQUIRED SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF FUNDING PROGRESS
FOR THE RETIREE HEALTH PLAN
(In Thousands)**

Required Supplementary Information

Year-Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2009	July 1, 2008	\$ -	\$ 9,996	\$ 9,996	0%	\$ 12,797	78%
2010	July 1, 2008	-	9,996	9,996	0%	13,496	74%
2011	July 1, 2010	-	10,710	10,710	0%	14,089	76%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, and the funded status and funding progress.

See accompanying Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

NOTE TO OTHER SUPPLEMENTARY INFORMATION

June 30, 2011

Other supplementary information of the College is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. The various fund groups and their designated purposes are as follows:

Current Funds – The Current Funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the College and consist of the following:

Unrestricted Fund – The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the College.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the College.

Restricted Fund – The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by donors or outside agencies.

Loan Funds – The Loan Funds are used to account for loans to students, and are financed primarily by the federal government.

Endowment Funds – The Endowment Funds are used to account for resources, the principal of which is maintained inviolate to conform with restrictions by donors or other outside agencies. Generally, only the income from these funds may be used.

Plant Funds – The Plant Funds are used to account for transactions relating to investment in the College properties, and consist of the following self-balancing accounts:

Unexpended – This account is used to account for the unexpended resources derived from various sources for the acquisition or construction of plant assets.

Investment in Plant – This account is used to account for the excess of the carrying value of plant assets over the related liabilities.

Agency Funds – The Agency Funds are used to account for assets held by the College in a custodial capacity or as an agent for others. Agency Funds' assets equal liabilities.

The Budgetary Comparison Schedule of Expenditures – Budget to Actual provides a comparison of the budget to actual expenditures for those funds and/or levies required to be budgeted. Since Iowa Central Community College uses Business-Type Activities reporting, this budgetary comparison information is included as other supplementary information.

Schedules presented in other supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting with modifications for depreciation and other items included in the adjustments column. The schedule of revenues, expenditures and changes in fund balances is a schedule of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses.

**BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL**

Year Ended June 30, 2011

Funds/Levy	Original Budget	Amended Budget	Actual	Variance Between Actual and Amended Budget
Unrestricted	\$ 31,260,000	\$ 33,860,000	\$ 33,607,169	\$ 252,831
Restricted	6,755,450	7,371,400	5,337,306	2,034,094
Unemployment	80,000	80,000	66,385	13,615
Tort liability	400,000	400,000	335,918	64,082
Insurance	380,000	380,000	302,211	77,789
Early retirement	1,014,950	399,000	338,091	60,909
Equipment replacement	750,000	750,000	512,284	237,716
Total restricted	9,380,400	9,380,400	6,892,195	2,488,205
Plant	4,062,000	5,662,000	5,393,788	268,212
Bonds and interest	1,319,896	1,319,896	938,044	381,852
Total	\$ 46,022,296	\$ 50,222,296	\$ 46,831,196	\$ 3,391,100

Note to Budgetary Reporting:

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the College on a basis consistent with U. S. generally accepting accounting principles. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operation expenditures.

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Workforce Improvement Act, Scholarships and Grants Accounts, Loan Funds, Endowment Funds and Agency Funds.

For the year ended June 30, 2011, the College's expenditures did not exceed the amount budgeted.

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2011

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Assets			
Cash and pooled investments	\$ 8,261,025	\$ 8,048,880	\$ 4,992
Receivables:			
Accounts	2,595,197	-	-
Property tax:			
Succeeding year	1,328,479	1,770,387	-
Iowa Industrial New Jobs Training Program	-	2,489,676	-
Due from other funds	6,988,880	-	-
Due from other governments	473,384	483,812	-
Inventories	763,268	-	-
Prepaid expenses	175,478	-	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Equipment and vehicles	-	-	-
Accumulated depreciation	-	-	-
Total assets	\$ 20,585,711	\$ 12,792,755	\$ 4,992

See accompanying Independent Auditor's Report.

Schedule 2

Plant Funds		Agency Funds	Adjustments	Total
Unexpended	Investment in Plant			
\$ 980,421	\$ -	\$ 102,945	\$ -	\$ 17,398,263
-	-	-	-	2,595,197
2,647,371	-	-	-	5,746,237
-	-	-	-	2,489,676
-	-	989,570	(7,978,450)	-
-	-	18,630	-	975,826
-	-	-	-	763,268
-	-	-	-	175,478
-	1,711,616	-	-	1,711,616
-	57,779,807	-	-	57,779,807
-	2,442,367	-	-	2,442,367
-	4,867,632	-	-	4,867,632
-	9,847,401	-	-	9,847,401
-	-	-	(21,142,289)	(21,142,289)
\$ 3,627,792	\$ 76,648,823	\$ 1,111,145	\$ (29,120,739)	\$ 85,650,479

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2011

Liabilities and Fund Balances	Current Funds		Loan Funds
	Unrestricted	Restricted	
Liabilities:			
Accounts payable	\$ 1,875,777	\$ -	\$ -
Salaries and benefits payable	930,696	82,584	-
Interest payable	32,303	21,086	-
Due to other funds	7,005,689	596,829	-
Deferred revenue:			
Succeeding year property tax	1,328,479	1,770,387	-
Other	42,758	3,152,907	-
Compensated absences	420,424	-	-
Deposits held in custody for others	-	-	-
Certificates payable	-	4,595,000	-
Capital loan notes payable	-	-	-
Bonds payable	-	-	-
Net OPEB Liability	-	-	-
Total liabilities	11,636,126	10,218,793	-
Fund balances:			
Invested in capital assets, net of related debt	-	-	-
Restricted:			
Expendable:			
Scholarships and fellowships	-	27,505	-
Loans	-	-	4,992
Cash reserve	-	319,603	-
Other	-	2,226,854	-
Auxiliary enterprises	6,702,095	-	-
Unrestricted	2,247,490	-	-
Total fund balances	8,949,585	2,573,962	4,992
Total liabilities and fund balances	\$ 20,585,711	\$ 12,792,755	\$ 4,992

See accompanying Independent Auditor's Report.

**Schedule 2
(Continued)**

Plant Funds		Agency Funds	Adjustments	Total
Unexpended	Investment in Plant			
\$ -	\$ -	\$ -	\$ -	\$ 1,875,777
-	-	-	-	1,013,280
68,602	-	-	-	121,991
375,932	-	-	(7,978,450)	-
2,647,371	-	-	-	5,746,237
-	-	-	-	3,195,665
-	-	-	-	420,424
-	-	1,111,145	-	1,111,145
-	-	-	-	4,595,000
-	2,095,000	-	-	2,095,000
-	28,085,000	-	-	28,085,000
-	-	-	4,525,906	4,525,906
3,091,905	30,180,000	1,111,145	(3,452,544)	52,785,425
-	46,468,823	-	(21,142,289)	25,326,534
-	-	-	-	27,505
-	-	-	-	4,992
-	-	-	-	319,603
-	-	-	-	2,226,854
-	-	-	(138,862)	6,563,233
535,887	-	-	(4,387,044)	(1,603,667)
535,887	46,468,823	-	(25,668,195)	32,865,054
\$ 3,627,792	\$ 76,648,823	\$ 1,111,145	\$ (29,120,739)	\$ 85,650,479

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL FUNDS**

Year Ended June 30, 2011

	Current Funds		Loan
	Unrestricted	Restricted	Funds
Revenues:			
General:			
State appropriations	\$ 8,771,200	\$ 1,592,445	\$ -
Tuition and fees	22,102,687	-	-
Property tax	1,265,770	2,274,832	-
Federal appropriations	640,597	14,246,314	-
Sales and services	673,855	577,670	-
Interest on investments	45,730	19,694	-
Iowa Industrial New Jobs Training Program	-	908,341	-
Increase in plant investment due to plant expenditures	-	-	-
Miscellaneous	124,151	36,846	-
	<u>33,623,990</u>	<u>19,656,142</u>	<u>-</u>
 Auxiliary enterprises:			
Tuition and fees	88,232	-	-
Sales and services	12,926,793	-	-
	<u>13,015,025</u>	<u>-</u>	<u>-</u>
 Total revenues	<u>46,639,015</u>	<u>19,656,142</u>	<u>-</u>
 Expenditures:			
Education and support:			
Liberal arts and science	8,496,731	-	-
Vocational technical	6,591,664	537,920	-
Adult education	2,033,365	384,240	-
Cooperative services	788,371	908,341	-
Administration	1,312,978	115,101	-
Student services	4,883,545	-	-
Learning resources	571,816	-	-
Physical plant	4,558,005	302,211	-
General institution	4,370,694	4,542,048	-
Total education and support	<u>33,607,169</u>	<u>6,789,861</u>	<u>-</u>

See accompanying Independent Auditor's Report.

Schedule 3

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ 754,433	\$ -	\$ -	\$ 11,118,078
-	-	(6,200,974)	15,901,713
2,597,893	-	-	6,138,495
-	-	-	14,886,911
166,405	-	(119,451)	1,298,479
-	-	-	65,424
-	-	-	908,341
-	4,429,751	(4,429,751)	-
197,700	-	-	358,697
3,716,431	4,429,751	(10,750,176)	50,676,138
-	-	-	88,232
-	-	(1,671,243)	11,255,550
-	-	(1,671,243)	11,343,782
3,716,431	4,429,751	(12,421,419)	62,019,920
-	-	386,053	8,882,784
-	-	261,477	7,391,061
-	-	193,345	2,610,950
-	-	(242,178)	1,454,534
-	-	106,270	1,534,349
-	-	445,638	5,329,183
-	-	24,215	596,031
-	-	9,430	4,869,646
-	-	(207,259)	8,705,483
-	-	976,991	41,374,021

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL FUNDS**

Year Ended June 30, 2011

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Expenditures (Continued):			
Auxiliary enterprises	\$ 10,413,435	\$ -	\$ -
Scholarships and grants	-	12,173,416	-
Workforce Investment Act	-	102,334	-
Administrative and collection costs	-	-	-
Plant asset acquisitions	-	-	-
Disposal of plant assets	-	-	-
Depreciation	-	-	-
Interest on indebtedness	-	-	-
Total expenditures	44,020,604	19,065,611	-
Excess (deficiency) of revenues over (under) expenditures	2,618,411	590,531	-
Transfers:			
Non-mandatory transfers	(2,996,986)	(523,014)	-
Total transfers	(2,996,986)	(523,014)	-
Net	(378,575)	67,517	-
Fund balances beginning of year	9,328,160	2,506,445	4,992
Fund balances end of year	\$ 8,949,585	\$ 2,573,962	\$ 4,992

See accompanying Independent Auditor's Report.

**Schedule 3
(Continued)**

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ -	\$ -	\$ (597,388)	\$ 9,816,047
-	-	(7,824,119)	4,349,297
-	-	-	102,334
1,223,218	-	-	1,223,218
3,378,994	-	(3,378,994)	-
-	88,968	(88,968)	-
-	-	1,986,221	1,986,221
702,608	-	938,044	1,640,652
5,304,820	88,968	(7,988,213)	60,491,790
(1,588,389)	4,340,783	(4,433,206)	1,528,130
1,345,000	2,175,000	-	-
1,345,000	2,175,000	-	-
(243,389)	6,515,783	(4,433,206)	1,528,130
779,276	39,953,040	(21,234,989)	31,336,924
\$ 535,887	\$ 46,468,823	\$ (25,668,195)	\$ 32,865,054

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --

EDUCATION AND SUPPORT

Year Ended June 30, 2011

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Revenues:				
State appropriations	\$ 5,171,792	\$ 2,350,240	\$ 1,249,168	\$ -
Tuition and fees	13,150,903	6,567,005	1,583,104	470,713
Property tax	1,265,770	-	-	-
Federal appropriations	-	386,958	187,379	33,328
Sales and services	210	27,819	173,627	-
Interest on investments	-	-	-	-
Miscellaneous	-	43,484	40,261	-
	19,588,675	9,375,506	3,233,539	504,041
Allocation of support services	484,170	285,891	147,557	4,611
Total revenues	20,072,845	9,661,397	3,381,096	508,652
Expenditures:				
Salaries and benefits	6,310,121	5,313,129	1,418,193	444,796
Services	2,092,637	304,548	399,147	267,862
Materials and supplies	89,220	682,666	197,978	36,623
Travel	4,753	33,216	18,047	1,922
Plant asset acquisitions	-	248,905	-	-
Loan cancellation and bad debts	-	-	-	32,503
Private scholarships	-	-	-	-
Miscellaneous	-	9,200	-	4,665
	8,496,731	6,591,664	2,033,365	788,371
Allocation of support services	8,240,945	4,866,082	2,511,526	78,485
Total expenditures	16,737,676	11,457,746	4,544,891	866,856

Schedule 4

Support					Education and Support Total
General Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,771,200
-	45,848	-	-	285,114	22,102,687
-	-	-	-	-	1,265,770
-	32,932	-	-	-	640,597
-	300	382	66,780	404,737	673,855
45,730	-	-	-	-	45,730
34,195	-	4,911	1,300	-	124,151
79,925	79,080	5,293	68,080	689,851	33,623,990
(79,925)	(79,080)	(5,293)	(68,080)	(689,851)	-
-	-	-	-	-	33,623,990
942,428	3,166,773	460,910	1,845,277	2,237,152	22,138,779
266,412	364,850	44,316	1,224,485	973,092	5,937,349
7,265	118,432	65,397	1,236,013	459,132	2,892,726
32,973	39,810	1,193	1,478	52,508	185,900
-	-	-	250,752	7,885	507,542
-	-	-	-	484,309	516,812
-	-	-	-	-	-
63,900	1,193,680	-	-	156,616	1,428,061
1,312,978	4,883,545	571,816	4,558,005	4,370,694	33,607,169
(1,312,978)	(4,883,545)	(571,816)	(4,558,005)	(4,370,694)	-
-	-	-	-	-	33,607,169

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --

EDUCATION AND SUPPORT

Year Ended June 30, 2011

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Excess (deficiency) of revenues over (under) expenditures	\$ 3,335,169	\$ (1,796,349)	\$ (1,163,795)	\$ (358,204)
Transfers:				
Non-mandatory transfers	-	63,759	-	-
Total transfers	-	63,759	-	-
Net	\$ 3,335,169	\$ (1,732,590)	\$ (1,163,795)	\$ (358,204)
Fund balance beginning of year				
Fund balance end of year				

See accompanying Independent Auditor's Report.

**Schedule 4
(Continued)**

Support					Education and Support Total
General Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,821
-	(50,984)	-	(492)	161,084	173,367
-	(50,984)	-	(492)	161,084	173,367
\$ -	\$ (50,984)	\$ -	\$ (492)	\$ 161,084	190,188
					2,057,302
					<u>\$ 2,247,490</u>

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --

AUXILIARY ENTERPRISES

Year Ended June 30, 2011

	Bookstore	Career Education	Self- Insurance Program	Dormitories
Revenues:				
Tuition and fees	\$ -	\$ -	\$ -	\$ 76,992
Sales and services	3,645,468	257,536	3,345,657	5,050,820
Total revenues	3,645,468	257,536	3,345,657	5,127,812
Expenditures:				
Salaries and benefits	158,823	8,801	-	263,976
Services	88,141	139,864	3,250,339	1,803,470
Materials and supplies	12,612	68,479	-	328,605
Travel	156	-	-	-
Plant asset acquisitions	-	6,386	-	-
Interest on indebtedness	-	-	-	639,275
Cost of goods sold	2,663,057	98,228	-	-
Miscellaneous	-	65,311	-	198,120
Total expenditures	2,922,789	387,069	3,250,339	3,233,446
Excess of revenues over expenditures	722,679	(129,533)	95,318	1,894,366
Transfers:				
Non-mandatory transfers	(1,500,000)	(44,722)	(27)	(1,625,604)
Net	(777,321)	(174,255)	95,291	268,762
Fund balances beginning of year	1,757,838	(17,622)	2,798,622	2,839,995
Fund balances end of year	\$ 980,517	\$ (191,877)	\$ 2,893,913	\$ 3,108,757

See accompanying Independent Auditor's Report.

Schedule 5

Miscellaneous		Total	
\$	11,240	\$	88,232
	627,312		12,926,793
	638,552		13,015,025
	350,794		782,394
	63,265		5,345,079
	191,144		600,840
	863		1,019
	13,726		20,112
	-		639,275
	-		2,761,285
	-		263,431
	619,792		10,413,435
	18,760		2,601,590
	-		(3,170,353)
	18,760		(568,763)
	(107,975)		7,270,858
\$	(89,215)	\$	6,702,095

IOWA CENTRAL COMMUNITY COLLEGE

RESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2011

	Scholarships and Grants	Equipment Replacement	Insurance
Revenues:			
State appropriations	\$ 246,980	\$ -	\$ -
Property tax	-	562,562	270,752
Federal appropriations	11,660,714	-	-
Sales and services	-	-	-
Interest on investments	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-
Miscellaneous	36,846	-	-
Total revenues	11,944,540	562,562	270,752
Expenditures:			
Salaries and benefits	-	-	-
Services	-	8,164	302,211
Materials and supplies	-	205,124	-
Travel	-	-	-
Interest on indebtedness	-	-	-
Federal Pell Grant program	11,337,270	-	-
Federal Supplemental Educational Opportunity Grant	184,826	-	-
Iowa College Student Aid Commission	243,610	-	-
Academic Competitiveness Grant	138,618	-	-
Miscellaneous	269,092	298,996	-
Total expenditures	12,173,416	512,284	302,211
Excess (deficiency) of revenues	(228,876)	50,278	(31,459)
Transfers:			
Non-mandatory transfers	232,646	(13,523)	-
Net	3,770	36,755	(31,459)
Fund balance beginning of year	23,735	506,912	549,825
Fund balance end of year	\$ 27,505	\$ 543,667	\$ 518,366

See accompanying Independent Auditor's Report.

Early Retirement	Unemployment Compensation	Cash Reserve	Tort Liability	Workforce Investment Act	Iowa Industrial New Jobs Training Program
\$ -	\$ -	\$ -	\$ -	\$ 1,787	\$ -
902,439	75,153	-	463,926	-	-
-	-	-	-	95,047	-
-	-	-	-	5,500	-
-	-	-	-	-	-
-	-	-	-	-	908,341
-	-	-	-	-	-
902,439	75,153	-	463,926	102,334	908,341
338,091	66,385	-	335,918	-	-
-	-	-	-	68,079	609,572
-	-	-	-	18,291	-
-	-	-	-	1,552	-
-	-	-	-	-	298,769
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	14,412	-
338,091	66,385	-	335,918	102,334	908,341
564,348	8,768	-	128,008	-	-
-	-	-	-	-	-
564,348	8,768	-	128,008	-	-
(421,564)	8,628	319,603	385,314	-	-
\$ 142,784	\$ 17,396	\$ 319,603	\$ 513,322	\$ -	\$ -

Schedule 6

Miscellaneous		Total	
\$	1,343,678	\$	1,592,445
	-		2,274,832
	2,490,553		14,246,314
	572,170		577,670
	19,694		19,694
	-		908,341
	-		36,846
	4,426,095		19,656,142
	2,323,887		3,064,281
	1,087,817		2,075,843
	408,779		632,194
	162,747		164,299
	-		298,769
	-		11,337,270
	-		184,826
	14,626		258,236
	-		138,618
	328,775		911,275
	4,326,631		19,065,611
	99,464		590,531
	(742,137)		(523,014)
	(642,673)		67,517
	1,133,992		2,506,445
\$	491,319	\$	2,573,962

IOWA CENTRAL COMMUNITY COLLEGE

AGENCY FUNDS

SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS

Year Ended June 30, 2011

	Athletics and Student Organizations	Retraining Program	Federal Direct Student Loan Program
Balances beginning of year	\$ 157,887	\$ 384,068	\$ -
Additions:			
Tuition and fees	59,529	-	-
Federal and state appropriations	-	165,335	18,626,647
Sales and services	113,144	55,000	-
Interest on investments	-	1,272	-
Miscellaneous	1,699,622	-	-
Total additions	1,872,295	221,607	18,626,647
Deductions:			
Salaries and benefits	100	-	-
Services	446,868	242,658	18,626,647
Materials and supplies	486,415	-	-
Travel	328,950	-	-
Scholarships	643,770	-	-
Miscellaneous	15,172	-	-
Total deductions	1,921,275	242,658	18,626,647
Balances end of year	\$ 108,907	\$ 363,017	\$ -

See accompanying Independent Auditor's Report.

Schedule 7

<hr/>	
Miscellaneous	Total
<hr/>	
\$ 575,934	\$ 1,117,889
<hr/>	
574,911	634,440
161,250	18,953,232
250,287	418,431
1,215	2,487
81,240	1,780,862
1,068,903	21,789,452
<hr/>	
145,813	145,913
109,730	19,425,903
138,309	624,724
82,543	411,493
35,755	679,525
493,466	508,638
1,005,616	21,796,196
<hr/>	
\$ 639,221	\$ 1,111,145
<hr/>	

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CREDIT AND CONTACT HOURS

Year Ended June 30, 2011

Category	Credit Hours		Total
	Eligible for Aid	Not Eligible for Aid	
Arts and Sciences	99,433	-	99,433
Vocational Education	45,679	-	45,679
Adult Education/Continuing Education	-	-	-
Cooperative Programs/Services	-	-	-
	145,112	-	145,112

See accompanying Independent Auditor's Report.

Schedule 8

Contact Hours		
Eligible for Aid	Not Eligible for Aid	Total
1,976,311	-	1,976,311
1,157,244	-	1,157,244
412,257	192,141	604,398
-	9,378	9,378
3,545,812	201,519	3,747,331

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES
For the Last Ten Years

	Year			
	2011	2010	2009	2008
Local (property tax)	\$ 6,138,495	\$ 5,490,706	\$ 5,818,758	\$ 3,540,724
State	11,118,078	9,705,796	12,477,593	11,495,819
Federal	14,886,911	13,289,803	8,358,649	6,249,882
Total	\$ 32,143,484	\$ 28,486,305	\$ 26,655,000	\$ 21,286,425

See accompanying Independent Auditor's Report.

Schedule 9

Ended June 30,					
2007	2006	2005	2004	2003	2002
\$ 3,557,131	\$ 4,326,970	\$ 3,716,759	\$ 3,667,753	\$ 3,690,385	\$ 3,244,893
10,588,190	10,232,644	8,436,420	8,146,823	8,031,162	8,951,614
5,588,092	6,545,688	6,420,694	6,253,707	5,763,056	4,866,529
\$ 19,733,413	\$ 21,105,302	\$ 18,573,873	\$ 18,068,283	\$ 17,484,603	\$ 17,063,036

IOWA CENTRAL COMMUNITY COLLEGE**SCHEDULE OF CURRENT FUND REVENUES BY SOURCE
AND EXPENDITURES BY FUNCTION
For the Last Ten Years**

	Year			
	2011	2010	2009	2008
Revenues:				
State appropriations	\$ 10,363,645	\$ 9,596,735	\$ 11,564,261	\$ 11,165,271
Tuition and fees	22,102,687	19,758,110	17,473,089	15,284,473
Property tax	3,540,602	3,002,851	3,385,350	2,480,517
Federal appropriations	14,886,911	13,289,803	8,358,413	6,249,361
Sales and services	1,251,525	1,112,727	1,523,171	1,330,600
Interest on investments	65,424	72,115	278,197	667,046
Iowa Industrial New Jobs Training Program	908,341	979,649	1,910,326	2,124,379
Auxiliary enterprises	13,015,025	11,771,531	10,964,404	10,611,526
Miscellaneous	160,997	154,113	183,978	185,340
Total	\$ 66,295,157	\$ 59,737,634	\$ 55,641,189	\$ 50,098,513
Expenditures:				
Liberal arts and sciences	\$ 8,496,731	\$ 7,574,233	\$ 7,029,027	\$ 6,458,272
Vocational technical	7,129,584	6,391,435	5,837,171	5,573,585
Adult education	2,417,605	2,312,987	2,631,646	2,592,335
Cooperative services	1,696,712	2,236,022	3,618,142	3,607,913
Administration	1,428,079	1,554,076	1,243,654	1,273,628
Student services	4,883,545	4,510,205	4,402,589	4,030,144
Learning resources	571,816	443,646	293,612	270,819
Physical plant	4,860,216	4,497,508	4,081,440	3,425,182
General institution	8,912,742	8,300,325	7,813,078	6,828,116
Auxiliary enterprises	10,413,435	9,613,638	8,966,134	8,832,852
Scholarships and grants	12,173,416	9,533,501	6,297,795	5,196,211
Workforce Investment Act	102,334	109,075	95,476	80,691
Total	\$ 63,086,215	\$ 57,076,651	\$ 52,309,764	\$ 48,169,748

See accompanying Independent Auditor's Report.

Schedule 10

Ended June 30,					
2007	2006	2005	2004	2003	2002
\$ 10,369,493	\$ 9,391,912	\$ 8,436,420	\$ 8,146,823	\$ 8,031,162	\$ 8,295,637
13,713,940	12,008,732	11,194,233	10,094,979	9,468,100	8,299,631
2,507,291	3,313,307	2,713,047	2,478,962	2,516,079	2,074,461
5,588,092	6,143,591	5,687,324	6,253,707	5,763,056	4,866,529
1,680,551	1,453,867	1,034,224	1,120,455	795,362	1,082,770
850,523	782,516	403,503	203,617	233,853	295,119
2,073,371	2,125,884	2,446,804	2,178,176	1,589,859	1,605,970
8,958,337	7,658,956	7,006,616	6,591,754	6,084,478	5,591,607
170,645	200,508	208,799	123,583	194,835	191,061
\$ 45,912,243	\$ 43,079,273	\$ 39,130,970	\$ 37,192,056	\$ 34,676,784	\$ 32,302,785
\$ 5,485,941	\$ 4,634,294	\$ 4,302,081	\$ 4,239,682	\$ 4,150,928	\$ 4,113,994
5,130,353	4,880,693	4,479,277	4,534,697	4,508,996	3,670,346
2,600,410	2,395,313	2,291,070	2,263,284	2,087,055	2,077,024
3,548,282	3,303,993	3,430,094	2,994,983	2,407,870	2,294,973
1,472,722	1,076,106	1,268,979	1,328,303	1,153,428	1,611,537
3,581,358	3,583,769	3,110,119	2,927,490	2,795,901	2,314,860
300,293	332,257	327,582	313,242	322,655	272,675
3,670,110	3,127,923	2,744,741	2,355,202	2,129,556	2,181,347
6,195,145	6,322,947	5,295,762	5,099,828	3,450,649	3,535,098
7,464,479	6,079,921	5,539,102	5,905,512	5,348,539	4,719,632
4,153,217	3,850,833	4,174,065	4,347,639	4,338,161	3,763,904
107,114	267,185	420,187	545,466	743,400	574,323
\$ 43,709,424	\$ 39,855,234	\$ 37,383,059	\$ 36,855,328	\$ 33,437,138	\$ 31,129,713

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:			
U.S. Department of Justice:			
Congressionally Recommended Awards	16.753	\$ 460,203	\$ -
U.S. Department of Energy:			
Renewable Energy Research and Development	81.087	541,766	-
U.S. Department of Education:			
Student Financial Aid - cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	184,826	-
Federal Direct Student Loans	84.268	-	18,626,647
Federal Work-Study Program (FWS)	84.033	161,250	-
Federal Pell Grant Program	84.063	11,337,270	-
Federal Academic Competitiveness Grant	84.375	138,618	-
		11,821,964	18,626,647
TRIO Student Support Services	84.042	254,691	-
Fund for the Improvement of Postsecondary Education	84.116	137,570	-
Total direct		13,216,194	18,626,647
Indirect:			
U.S. Department of Labor:			
Indirect through Iowa Workforce Development:			
WIA-Adult Program - Title 1	17.258	2,369	-
Employment Service/Wagner-Peyser Funded Activities	17.207	2,723	-
Unemployment Insurance	17.225	14,946	-
WIA-Youth Activities	17.259	4,809	-
WIA-Dislocated Workers	17.260	1,102	-
Trade Adjustment Assistance	17.245	1,787	-

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

Schedule 11
(Continued)SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (Continued):			
U.S. Department of Labor (Continued):			
Indirect through Iowa Workforce Development (Continued):			
Incentive Grants - WIA Section 503	17.267	\$ 44,998	\$ -
State Energy Sector Partnership	17.275	178,390	-
WIA-National Emergency Grant	17.277	246,250	-
Disabled Veterans' Outreach Program (DVOP)	17.801	420	-
Employment and Training Administration Pilots - New Iowan Center	17.261	2,626	-
U.S. Department of Commerce:			
Indirect through Iowa State University:			
Manufacturing Extension Partnership - CIRAS	11.611	119,709	-
U.S. Department of Education:			
Indirect through the Iowa Department of Education:			
Adult Education - Basic Grants to States	84.002	187,379	-
Tech-Prep Education	84.243	87,570	-
Career and Technical Education - Basic Grant to States:			
Title II-B Program Improvement	84.048	420,286	-
Health Science - POS Grant	84.048	3,508	-
Vocational Prep Corrections	84.048	9,103	-
		432,897	-
Indirect through the Iowa Department of Corrections:			
Title I Program for Neglected and Delinquent Children and Youth	84.013	34,053	-

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

Schedule 11
(Continued)SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (Continued):			
U.S. Department of Health and Human Services:			
Indirect through Iowa Workforce Development:			
Promise Jobs	93.558	\$ 18,323	\$ -
U.S. Department of Homeland Security:			
Indirect through the Eastern Kentucky University:			
Competitive Training Grant	97.068	28,500	-
State and Local Homeland Security			
National Training Program	97.005	261,866	-
Total indirect		1,670,717	-
Total		\$ 14,886,911	\$ 18,626,647

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iowa Central Community College and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and the discretely presented component unit as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements listed in the table of contents, and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Iowa Central Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Iowa Central Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of Iowa Central Community College's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Central Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Iowa Central Community College's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit Iowa Central Community College's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Iowa Central Community College and other parties to whom Iowa Central Community College may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Fort Dodge, Iowa
December 30, 2011

IOWA CENTRAL COMMUNITY COLLEGE

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

Compliance

We have audited the compliance of Iowa Central Community College, Fort Dodge, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of Iowa Central Community College's major federal programs for the year ended June 30, 2011. Iowa Central Community College's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on Iowa Central Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa Central Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Iowa Central Community College's compliance with those requirements.

In our opinion, Iowa Central Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Iowa Central Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Iowa Central Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Iowa Central Community College's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit Iowa Central Community College's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Iowa Central Community College and other parties to whom Iowa Central Community College may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "John Company U.P." The signature is stylized and cursive.

Fort Dodge, Iowa
December 30, 2011

**IOWA CENTRAL COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

Part I: Summary of the Independent Auditor's Results

- (A) An unqualified opinion was issued on the financial statements.
- (B) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (C) The audit did not disclose any noncompliance which is material to the financial statements.
- (D) No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed no audit findings that were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (G) Major programs were as follows:
 - Student Financial Aid - Cluster:
 - CFDA Number 84.007 – Federal Supplemental Educational Opportunity Grants
 - CFDA Number 84.033 – Federal Work-Study Program
 - CFDA Number 84.063 – Federal Pell Grant Program
 - CFDA Number 84.268 – Federal Direct Student Loans
 - CFDA Number 84.375 – Federal Academic Competitiveness Grant
 - CFDA Number 16.753 – Congressionally Recommended Awards
 - CFDA Number 84.048 – Career and Technical Education –
Basic Grants to States
- (H) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (I) Iowa Central Community College qualified as a low-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2011

Part II: Findings Related to the Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

- II-A-11 Satellite Campus Receipt Controls - An important aspect of internal control is the segregation of duties among employees so that the activities of one employee act as a check on those of another. No employee should be responsible for an entire transaction cycle.

The Community College's satellite campuses collect receipts for tuition and fees, book sales and miscellaneous revenues. Due to the limited number of staff at each center, receipts may be collected, recorded and deposited by the same individual.

While it is recognized that many methods of achieving good internal control are not adaptable to a small staff, some degree of effective control may always be obtained by appropriate organization or strengthening supervisory control procedures.

Recommendation - The Community College should review procedures in an effort to improve supervisory control over satellite campus receipts.

Response - Every effort is made to maintain efficient controls and still be cost effective at the satellite centers. Since June, 1993, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Webster City Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge. Since May, 1996, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Storm Lake Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge.

Discussion and review of receipting procedures take place periodically with supervisory staff at the centers.

Conclusion - Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE AND SIGNIFICANT DEFICIENCIES:

No matters were reported.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2011

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-11 Certified Budget - Expenditures for the year ended June 30, 2011 did not exceed the amounts budgeted.
- IV-B-11 Questionable Expenditures - No expenditures that did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-11 Travel Expense - No expenditures of Community College money for travel expenses of spouses of Community College officials or employees were noted. No travel advances to Community College officials or employees were noted.
- IV-D-11 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-11 Bond Coverage - Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-11 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-11 Publication - The Community College published a statement showing the receipts and disbursements of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-11 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the College's investment policy were noted.
- IV-I-11 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the Community College were supported by detailed records maintained by the Community College.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Fort Dodge, Iowa
December 30, 2011